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Decision No. 14150

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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ORIGINAL

In the Matter of Application of  
SOUTHERN PACIFIC COMPANY for authority )  
to close agency at Paradise Station,  
County of Butte, State of California, :Application No. 10175  
during the period November 1st to July  
31st, inclusive, of each year. )

V.S. Andrus and L. R. Young for Applicant.

A. L. Dillon for American Railway Express Company.

C. M. Burkett for residents of Paradise, Protestants.

C. H. Duell for Chico Chamber of Commerce, Protestant.

Jas. E. Pearson, Protestant.

R. M. Brown, Protestant.

Geo. C. Ville, Protestant.

B. C. Howe, Protestant.

BY THE COMMISSION:

O P I N I O N

Southern Pacific Company, a corporation, has petitioned the Railroad Commission for an order authorizing the closing of its agency station at Paradise in Butte County on its Sacramento Division during the period November 1st to July 31st, inclusive, of each year.

A public hearing on this application was conducted by Examiner Handford at Chico, the matter was duly submitted and is now ready for decision.

Applicant alleges that the operation and maintenance of an agency station at Paradise during the months for which its

closing is requested is unremunerative and is not justified by the revenue derived from the business transacted; and that the operation of the station as a non-agency during the months November to July, inclusive, of each year will furnish adequate service to the public until such time as the volume of business offering will justify the reestablishment of an agent.

Statements filed as exhibits attached to the application show the following revenue as being derived from business transacted during the year ending February 29, 1924:-

Tickets sold.	-	\$238.00
Less-than-carload Freight		
Forwarded -	\$ 762.00	
Received -	<u>4070.00</u>	4832.00
Carload Freight		
Forwarded -	\$ 6149.00	
Received -	<u>3012.00</u>	<u>9161.00</u>
Total		\$14231.00

Exhibits filed at the hearing show the following revenue as being derived from business transacted during the year ending July 31, 1924:

Tickets sold.	-	\$ 104.00
Less-than-carload Freight		
Forwarded -	\$ 792.00	
Received -	<u>3764.00</u>	4556.00
Carload Freight		
Forwarded -	\$6097.00	
Received -	<u>1703.00</u>	<u>7800.00</u>
TOTAL		\$12460.00

During the nine months period (November to July, inclusive) in which it is proposed to discontinue the agency the revenue derived from business transacted is as follows:-

Tickets sold (9 months of yearly total)		\$ 77.99
Less-than-carload Freight-		
Forwarded -	\$ 509.00	
Received -	<u>2529.00</u>	3038.00
Carload Freight-		
Forwarded -	144.00	
Received -	<u>881.00</u>	<u>1025.00</u>
TOTAL		<u>4140.99</u>

The expense of maintaining the agency station for the nine months' period, based on an average monthly expenditure of \$126.00 for the salary of agent and \$7.00 per month for supplies, a total of \$133.00, amounts to \$1197.00.

Based on the above figures the expense of maintaining the station has amounted to 38.41% of the revenue received from the ticket sales and less than carload freight, both received and forwarded, which are the items for which the services of an agent are most requisite for the public. The cost of maintaining the agency amounts to 28.91% of the total of all revenue business handled during the months in which it is proposed to close the agency.

The business transacted at Paradise Station has shown a decrease in revenue during the two yearly periods for which statistics are shown above, such decreases being expressed in percentage as follows:-

	<u>Percent of Decrease</u>
Less-than-carload Freight	
Received	7 $\frac{1}{2}$ %
Forwarded (Increase)	4%
Carload Freight	
Received	43 $\frac{1}{2}$ %
Forwarded	1%
Ticket Sales	56%
Total, All Revenue	12%

The granting of the application is protested by residents of Paradise and by the Chico Chamber of Commerce.

Evidence was received from protestants as to the development of the country tributary to Paradise Station and an exhibit was filed showing that a survey of the land comprised within the Paradise Irrigation District had an area of 19938.58 acres on January 1, 1923 of which 7299.84 acres were uncleared; and 2738.74 acres had been cleared;

175 acres were cleared during the calendar year 1923 and 160 acres have been cleared during the present year. There are 2052.39 acres under production the greater proportion of the acreage being planted with olives, walnuts, almonds, pears, prunes and apples. Smaller acreage is devoted to berries, grapes, peaches, figs and cherries. These protestants express their fear that the proposed closing of the agency during the nine months period of each year will retard the growth of the community but offer no substantial reason why the traffic and revenue have decreased to a basis that no longer justifies the maintenance of an agency.

The Chico Chamber of Commerce filed a resolution protesting the discontinuance of an agency during the nine months period of each year on the basis that the territory tributary to Paradise Station is rapidly developing as a fruit producing section and is of increasing importance as a shipping center, and that the proposed closing of the agency station would retard the advancement of the Paradise section of Butte County.

We have given careful consideration to the evidence and exhibits as presented in this proceeding, especially as to the statements of the protestants. The record, however, clearly shows that the business offered for transportation through this agency is decreasing and that the cost of maintaining an agent, particularly during the months in which the closing of the agency is requested, is unreasonable and is not justified by the volume of business transacted and the continued maintenance of an agency station during such months would place an unwarranted burden on the public and the patrons of the applicant in that a preferential condition would be accorded the patrons of Paradise Station in the maintenance of an agency station when

the expense of so maintaining it did not result in a reasonable patronage being furnished by the traffic offering for transportation.

We are of the opinion and hereby find as a fact that the business transacted at Paradise Station during the months November to July, inclusive, of each year does not justify the maintenance and operation of an agency station during such months and that the application should be granted in accordance with the following order.

ORDER

A public hearing having been held on the above entitled proceeding, the matter having been duly submitted and the Commission being now fully advised and basing its order on the finding of fact as appearing in the opinion preceding this order,

IT IS HEREBY ORDERED that applicant, Southern Pacific Company, a corporation, be and it hereby is authorized to discontinue the maintenance and operation of its agency station of Paradise in Butte County on its Sacramento Division during the months of November to July, inclusive, of each year, and during such months to maintain and operate such station as a non-agency station and such status to hereafter continue until the further order of this Commission.

Dated at San Francisco, California, this 9<sup>th</sup> day of October, 1924.

C. Sawyer  
H. B. ...  
Dwight ...

F. T. ...  
Commissioners